

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 SCI-03 EB-03 AID-05 OPIC-02

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R 101930Z OCT 74

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 4652

INFO AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

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E.O. 11652: N/A

TAGS: TECH, TGEN, GT, PFOR, XA, XB, XR, YO, MT, UN

SUBJECT: WORKING GROUP ON SCIENCE AND TRANSFER OF TECHNOLOGY

REF: (A) STATE 206675; (B) STATE 099106; (C) GUATEMALA 3469

SUMMARY:

A) THERE IS LITTLE EFFECTIVE FOCUS ON SCIENCE AND TECHNOLOGY IN CENTRAL AMERICA AT NATIONAL LEVEL. COUNTRIES HAVE DELEGATED SUBJECT MATTER TO REGIONAL INSTITUTIONS WHERE AWARENESS AND CONCERN EXIST, NOTABLY IN THE INDUSTRIAL TECHNOLOGY INSTITUTE (ICAITI). AN APPRECIATION OF THE CONCEPT OF TECHNOLOGY TRANSFER AS A DEVELOPMENT INSTRUMENT IS ONLY BEGINNING TO BE RECOGNIZED IN THE REGION, EVEN IN THE INTEGRATION COMMUNITY. THE HIGH LEVEL COMMITTEE (HLC) IN DRAFTING A NEW BASIC TREATY (TRATADO MARCO) TO GOVERN CA INTEGRATION IS RECOMMENDING REGIONAL NORMS TO GOVERN TRANSFER OF TECHNOLOGY IN CONNECTION WITH FOREIGN PRIVATE INVESTMENT IN THE FIVE COUNTRIES.

B) VISITS BY SENIOR U.S. REPRESENTATIVES TO MEET WITH KEY OFFICIALS

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OF REGIONAL INSTITUTIONS COULD BE MOST USEFUL IN DEVELOPING FURTHER

THE ISSUES DISCUSSED IN REF A, ESPECIALLY AS THEY RELATE TO THE PROBLEMS OF LESS DEVELOPED AREAS OF LA. THEY WOULD OFFER OPPORTUNITIES

(A) TO HELP THE CA'S "TO PERCEIVE THEIR DIVERSITY OF CHARACTERISTICS AND INTERESTS AND TO APPRECIATE CONGRUENT INTERESTS WITH THE US" (REF B, PARA 7) AND (B) FOR THE US TO EXAMINE APPROACHES FOR PROVIDING THE SPECIALIZED ATTENTION AND CONSIDERATION NEEDED FOR SUCH LESS DEVELOPED AREAS. END SUMMARY.

1. BECAUSE OF THE LOW AMOUNT OF ACTIVITY AND PRESENT INTEREST AT THE NATIONAL LEVEL IN CENTRAL AMERICA AND BECAUSE MOST OF THE AREA'S COMMITMENTS IN THE FIELDS OF TECHNOLOGY AND SCIENCE ARE MANIFESTED THROUGH REGIONAL INSTITUTIONS, THIS MESSAGE ORIGINATES IN ROCAP. IT ADDRESSES THE QUESTIONS RAISED IN PARAGRAPH 4 OF REF A IN TERMS OF A REGIONAL CENTRAL AMERICAN RESPONSE, AND IS SUBJECT TO ANY COMMENT WHICH THE U.S. EMBASSIES IN C.A. MAY WISH TO ADD.

2. (QUESTION REF A PARA 4). ONLY THE CENTRAL AMERICAN INSTITUTE FOR INDUSTRIAL TECHNOLOGICAL RESEARCH (ICAITI) HAS FOCUSED SERIOUSLY AND EFFECTIVELY ON THE WORKING GROUP AND SUB-GROUPS. WE GIVE ICAITI HIGH MARKS FOR RELIABILITY AND ACCURACY. IT IS A SERIOUS ORGANIZATION WITH PROVEN CAPABILITY, HAVING WON NUMEROUS RESEARCH CONTRACTS ON A COMPETITIVE BASIS BOTH FROM COUNTRIES INSIDE AND OUTSIDE THE REGION. ICAITI'S REPRESENTATIVES WHO PARTICIPATED IN SUB-GROUP II FOR GUATEMALA, MANUEL NORIEGA MORALES AND FRANCISCO AGUIRRE (BOTH GUATEMALANS) ARE WIDELY RESPECTED IN CA. WE ARE UNSURE OF THEIR POLICY INFLUENCE WITH FORMS OF THE OTHER FOUR CA COUNTRIES BUT NOTE THAT ICAITI'S POLICY PAPER DRAFTED FOR SUB-GROUP II WAS ADOPTED AS OFFICIAL GOG POLICY. NORIEGA MORALES HAS CONSIDERABLE INFLUENCE IN THE COMMUNITY OF CA INTEGRATION INSTITUTIONS, WHICH, IN TURN, HAVE TECHNICAL INFLUENCE WITH ALL CA' TO VARYING DEGREES, BUT LITTLE OF NO DIRECT POLITICAL "CLOUT". NORIEGA MORALES HAS ALSO BEEN THE PRINCIPAL ADVISER TO THE HLC ON POLICIES FOR FACILITATING THE TRANSFER OF TECHNOLOGY TO BE INCLUDED IN THE NEW TRATADO MARCO. ANOTHER CA-BASED INSTITUTION, THE CENTER FOR TROPICAL AGRICULTURE RESEARCH (CATIE) IN TURRIALBA, COSTA RICA, IS ORIENTED TO AGRICULTURAL RESEARCH AND TECHNOLOGY; BUT, IT HAS NOT YET ASSUMED REGIONAL LEADERSHIP IN THIS FIELD AS ICAITI HAS IN INDUSTRIAL LIMITED OFFICIAL USE

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TECHNOLOGY.

3. THE GROUND RULES FOR TECHNOLOGY TRANSFER THROUGH NEW INVESTMENTS WILL BE OUTLINED IN THE NEW GENERAL TREATY (TRATADO MARCO) ON CENTRAL AMERICAN INTEGRATION CURRENTLY UNDER STUDY. (SEE CAPTO CIRCULAR A-27, SEPT. 23, 1974). WE EXPECT THAT, EVEN WITH ADOPTION OF THE PROPOSED NEW GROUND RULES, THERE WILL BE A CONSIDERABLE LAG BEFORE THEIR EFFECTIVE IMPLEMENTATION. THERE

WILL BE A PERIOD OF ADJUSTMENT WHILE THE CA REGIONAL COMMUNITY AND THE NATIONAL GOVERNMENTS NOT ONLY TAKE POSITIONS BUT ALSO PLACE DUE EMPHASIS ON SCIENCE AND TECHNOLOGY AS A MAJOR AVENUE TO DEVELOPMENT.

4. (QUESTION 4B). WE CONTACTED NORIEGA MORALES TO ASSIST IN DETERMINING ANSWERS TO THESE QUESTIONS.

(1) THE GOG TREATED SUB-GROUP II AS AN AD HOC AFFAIR. THERE IS LITTLE COORDINATION AMONG CENTRAL AMERICAN OFFICIALS WITH REGARD TO THE WORK OF THE OTHER SUB-GROUPS. NORIEGA MORALES HAS SOME KNOWLEDGE OF THE PROGRESS AND INTER-RELATION OF THE SEVERAL SUB-GROUPS, BUT NOT MUCH. FOLLOWING SUB-GROUP II'S MEETING, WE UNDERSTAND THAT ICAITI WILL ATTEMPT TO FOLLOW THE WORKING GROUP'S PROGRESS MORE CLOSELY. IDEALLY THE CA'S IN OUR VIEW (AND THAT OF ICAITI AND THE SECRETARIAT FOR CA INTEGRATION --SIECA) SHOULD POOL THEIR RESOURCES AND HAVE ICAITI REPRESENT ALL OF CA AT THE NEXT MEETING OF THE WG. THIS SEEMS UNLIKELY, HOWEVER, IN VIEW OF ORGANIZATION OF CURRENT MFM EFFORT.

(2) ICAITI'S EXPECTATIONS ARE RISING BUT RESTRAINED. ICAITI SEES A CURRENT LACK OF UNDERSTANDING BETWEEN THE U.S. ON THE ONE HAND AND THE LARGER LA'S ON THE OTHER. WHAT SHOULD BE A COOPERATIVE EFFORT FROM THE BEGINNING IS GOING THROUGH AN UNFORTUNATE BUT PREDICATABLE EARLY STAGE OF MUTUAL SUSPICION AND ADVERSARY NIT-PICKING. THIS IS BECAUSE THE LARGER LA'S, PARTICULARLY MEXICO, BRAZIL AND ARGENTINA, SUSPECT EITHER A) THAT WHAT THE U.S. IS REALLY AFTER IS INCREASED ACCESS TO LA RESOURCES THROUGH ITS TRANSNATIONAL CORPORATIONS, OR B) THAT THE USG IS NOT GOING TO MAKE AVAILABLE MUCH TECHNOLOGY AND IS MERELY USING SCIENCE AND TECHNOLOGY AS A LOW-COST IMAGE-BUILDING GAMBIT. FURTHERMORE, THE LARGE LA'S ARE FOCUSING ALMOST EXCLUSIVELY ON HIGHLY SOPHISTICATED INDUSTRIAL TECHNOLOGY. THEY ARE INTERESTED IN COST-FREE PATENT SHARING AND UNFETTERED U.S. PUBLIC FUNDS TO

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R 101930Z OCT 74

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BUILD MODERN INDUSTRIAL PLANTS. THEY HAVE NO INTEREST IN AGRICULTURE. CONVERSELY, THE SMALLER LA'S, CENTRAL AMERICA IN PARTICULAR, NEED NOT ONLY INDUSTRIAL TECHNOLOGY BUT ALSO SIMPLER TECHNOLOGY IN NUMEROUS FIELDS, AS SIGNALLED IN THE GOG PRPOSAL TO SUB-GROUP II. PATENTS AND PUBLIC INVESTMENTS IN INDUSTRIAL PLANTS ARE OF LESS IMPORTANCE TO THE CENTRAL AMERICANS. THEY SEEK INSTITUTIONAL BUILD-UP, AS FOR ICAITI IN INDUSTRY AND CATIE IN AGRICULTURE TECHNOLOGY. THEY LOOK TO PRIVATE FOREIGN INVESTMENT TO PROVIDE A LARGE MEASURE OF TECHNOLOGY TRANSFER.

NEVERTHELESS, ICAITI BELIEVES THAT THIS INITIAL PERIOD OF SUSPICION WILL BE OVERCOME WITH CONTINUED EFFORT, EXPLORATION AND CONTACT. TECHNOLOGY TRANSFER AS CURRENTLY ENVISAGED IS A NEW FIELD OF INTERNATIONAL COOPERATION. ICAITI FEELS THAT ALL PARTIES ARE GROPING FOR POSITIONS AND ARE UNSURE OF THEIR SURROUNDINGS. LIKE SWIMMERS IN DARK, UNFAMILIAR WATERS, THEY ARE INITIALLY DEFENSIVE, SKEPTICAL AND SENSITIVE. BUT ICAITI BELIEVES THAT THIS STAGE WILL BE OVERCOME, AND THAT USEFUL, IF MODEST, PROGRESS WAS MADE IN THE DRAFTING OF THE "FINAL DOCUMENT" OF SUB-GROUP II. ICAITI EXPECTS THAT, EVENTUALLY, WAYS WILL BE FOUND TO TRANSFER SIGNIFICANT  
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QUANTITIES OF TECHNOLOGY ACCORDING TO THE DIFFERING LA NEEDS, AND THAT THIS TRANSFER COULD HELP AS MUCH AS CAPITAL TRANSFER TO DEVELOP CENTRAL AMERICA.

(3) THE BROAD PRIORITY INTERESTS OF CA ARE IN INDUSTRIAL, AGRICULTURAL, ENVIRONMENTAL AND HOUSING TECHNOLOGY. SPECIFIC AREAS WHICH HAVE BEEN MENTIONED ARE TROPICAL WOODS, TROPICAL AGRICULTURE, PAPER, THE INDUSTRIALIZATION OF LOCAL RAW MATERIALS SUCH AS PLANTS AND FIBERS, SOLAR ENERGY AND GEOTHERMAL ENERGY. OTHER PRIORITIES CORRESPOND TO THE FIELDS IDENTIFIED IN THE GOG SUBMISSION TO SUB-GROUP II.

(4) IF A JOINT COMMISSION IS FORMED, CENTRAL AMERICAN SHOULD BE REPRESENTED AS A REGIONAL GROUP, WITH A HIGH RANKING REGIONAL OFFICIAL LIKE THE SIECA SECTY/GEN, OR THE DIRECTOR OF ICAITI AS THE CHIEF CA REPRESENTATIVE.

(5) AT THIS STAGE NEITHER THE FIVE CA GOVTS. NOR ICAITI (WHICH RECEIVES ANNUAL BUDGET CONTRIBUTIONS FROM THE FIVE GOVTS) APPEARS "PREPARED" TO COMMIT ADDITIONAL FUNDS TO INCREASED JOINT EFFORT. HOWEVER, THE CA'S HOPE TO BE LARGE BENEFICIARIES OF AND SMALL CONTRIBUTORS TO A PROGRAM OF INCREASED SCIENTIFIC AND TECHNOLOGICAL COOPERATION. SIECA, ICAITI AND THE HLC RECOGNIZE THE IMPORTANCE OF THE SUBJECT MATTER AND FORESEE THE NEED TO INCREASE COMMITMENTS. IT IS DIFFICULT TO PREDICT THE WILLINGNESS OF THE FIVE COUNTRIES TO RESPOND ALTHOUGH GUATEMALA AND COSTA RICA SEEM FAVORABLY INCLINED. GUATEMALA SUPPORTS ICAITI IN SEVERAL WAYS, IN ADDITION TO ITS ANNUAL QUOTA. HONDURAS AND EL SALVADOR APPEAR WELL DISPOSED, ALTHOUGH PERHAPS FINANCIALLY UNABLE AND EL SALVADOR HAS BEEN INCREASNG ITS CONTRACTS WITH ICAITI FOR ASSISTANCE AND SERVICES IN TECHNOLOGY DEVELOPMENT. NICARAGUA HAS SHOWN NO EVIDENCE OF EFFECTIVE INTEREST. (NICARAGUA DID ATTEND SUB-GROUP II, BUT WAS REPRESENTED BY ITS RESIDENT AMBASSADOR, WHO SAID NOTHING). HOWEVER, WE BELIEVE ALL THE CA'S WOULD BE PREPARED TO INCREASE THEIR CONTRIBUTION TO ICAITI AS PART OF A SYSTEMATIC PLAN TO IMPROVE ITS CAPABILITY AND ESPECIALLY OUTREACH TO THE PRODUCTIVE SECTORS OF THE FIVE COUNTRIES, PARTICULARLY AS THIS RELATES TO A RESTRUCTURED CA ECONOMIC AND SOCIAL COMMUNITY.

(6) THERE HAS BEEN LITTLE CONSULTATION WITH LOCAL INDUSTRIAL LIMITED OFFICIAL USE

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LEADERS ON THESE SUBJECTS. HOWEVER, THE GOG INCLUDED A PRIVATE INDUSTRIALIST ON ITS PREPARATORY COMMITTEE FOR SUB-GROUP II, AND THERE WERE SEVERAL INDUSTRY-RELATED PUBLIC OFFICIALS ON THE GOG DELEGATION. ICAITI HAS CONSULTED WITH: CARLOS ENRIQUE RIVERA, SECRETARY GENERAL OF THE FEDERATION OF CA INDUSTRIAL ASSOCIATIONS (FECAICA); ROBERTO VELASQUEZ, PRESIDENT OF THE GUATEMALAN INDUSTRIAL ASSOCIATION; JULIO MATHEU, A PRIVATE GUATEMALAN ENTREPRENEUR IN THE PHARMACEUTICAL INDUSTRY; AND FRANCISCO (CHICO) DE SOLA, A PROMINENT SALVADORAN ENTREPRENEUR AND FINANCIER. THESE CONSULTATIONS, THUS FAR, HAVE BEEN GENERAL AND NOT ON THE SPECIFICS OF THE TERMS OF REFERENCE OF A JOINT COMMISSION.

(7), (8), AND (9). ALL THREE QUESTIONS ARE ANSWERED IN THE GOG PAPER PREPARED BY ICAITI FOR SUB-GROUP II.

5. QUESTION 4C) WE BELIEVE IT WOULD BE APPROPRIATE AND USEFUL FOR SENIOR WASHINGTON REPRESENTATIVES TO VISIT CENTRAL AMERICA IN OCTOBER ONLY IF DISCUSSIONS WITH REGIONAL LEADERS ARE DEEMED USEFUL TO DEVELOP THESE ISSUES. ICAITI INFLUENCE IS GREATER AMONG ECONMINS THAN FORMINS, AND DECISION TO MAKE VISIT SHOULD BE WEIGHED ACCORDINGLY. AN ADDITIONAL REASON CA VISIT COULD SERVE U.S. INTERESTS IS STRENGTHENING THE INDEPENDENT CRITERIA OF SMALLER STATES IN LINE WITH OBJECTIVES SET FORTH IN STATE 099106 OF 14 MAY 1974. DUE TO THE DISSIMILARITIES OF THE LA'S IN SCIENTIFIC ACHIEVEMENT AND TECHNOLOGICAL NEEDS, A SUB-REGIONAL

APPROACH SEEMS EMINENTLY APPROPRIATE. IF VISIT DEEMED HELPFUL  
TO U.S. INTERESTS, SUGGEST TWO PRINCIPAL CONTACTS IN GUATEMALA:  
SIECA SECRETARY GENERAL ROBERTO MAYORGA (A NICARAGUAN);  
ICAITI DIRECTOR MANUEL NORIEGA MORALES (A GUATEMALAN).  
VISIT WITH APPROPRIATE OFFICIALS IN FIVE COUNTRIES AND OTHER  
REGIONAL INSTITUTIONS COULD BE WORKED OUT THROUGH THEM.

6. ROCAP STANDS WILLING TO OFFER ADDITIONAL ASSISTANCE IN  
CONNECTION WITH THIS KEY OPPORTUNITY AND CHANNEL OF DEVELOPMENT  
FOR CENTRAL AMERICA.  
ANDREWS

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## Message Attributes

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